

Services provided under the in-office ancillary exception to the physician self-referral law

ISSUE: A provision in the physician self-referral law allows physicians to provide certain services—such as imaging, physical therapy, radiation therapy, and clinical lab tests— to patients in their offices (the in-office ancillary exception). In the proposed rule for the 2008 physician fee schedule, CMS asked for comment on whether this exception should be changed.

KEY POINTS: Supporters of the in-office exception argue that it is more convenient for patients to receive ancillary services in their physician's office and that the exception enables physicians to make rapid diagnoses and initiate treatment during a patient's office visit. However, physician investment in ancillary services could lead to higher volume through financial incentives for physicians to order additional services. In this session, staff will present results from an analysis of how frequently ancillary services are provided during an office visit and discuss the implications of these findings for the in-office exception.

ACTION: Commissioners should provide feedback to staff on future work.

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